

Final

**INCREASED OIL PRODUCTION AND RESERVES
UTILIZING SECONDARY/TERTIARY RECOVERY
TECHNIQUES ON SMALL RESERVOIRS
IN THE PARADOX BASIN, UTAH
(Contract No. DE-FC22-95BC14988)**

TECHNICAL PROGRESS REPORT

Submitted by

Utah Geological Survey
Salt Lake City, Utah 84114-6100
July 2001



Contract Date: February 9, 1995
Anticipated Completion Date: August 31, 2005
Government Award (fiscal year): \$137,072
Principal Investigator/Program Manager: Thomas C. Chidsey, Jr.

Contracting Officer's Representative/Project Manager

Gary D. Walker
U.S. Department of Energy
National Petroleum Technology Office
P.O. Box 3628
Tulsa, OK 74101

Reporting Period: April 1 - June 30, 2001

US/DOE Patent Clearance is not required prior to the publication of this document.

DISCLAIMER

This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.

INCREASED OIL PRODUCTION AND RESERVES UTILIZING SECONDARY/TERTIARY RECOVERY TECHNIQUES ON SMALL RESERVOIRS IN THE PARADOX BASIN, UTAH

Contract No. DE-FC22-95BC14988

Utah Geological Survey (UGS), Salt Lake City, Utah 84114-6100

Submitted: July 2001

Award Date: February 9, 1995

Anticipated Completion Date: August 31, 2005

Government Award for Current Fiscal Year: \$137,072

Principal Investigator/Program Manager: Thomas C. Chidsey, Jr., UGS

Contracting Officer's Representatives: Gary D. Walker, National Petroleum Technology Office,
Tulsa, Oklahoma

Reporting Period: April 1 - June 30, 2001

Objectives

The primary objective of this project is to enhance domestic petroleum production by demonstration and technology transfer of an advanced oil recovery technology in the Paradox Basin, southeastern Utah. If this project can demonstrate technical and economic feasibility, the technique can be applied to about 100 additional small fields in the Paradox Basin alone, and result in increased recovery of 150 to 200 million bbl of oil. This project is designed to characterize five shallow-shelf carbonate reservoirs in the Pennsylvanian (Desmoinesian) Paradox Formation and choose the best candidate for a pilot demonstration project for either a waterflood or carbon dioxide- (CO₂-) flood project. The field demonstration, monitoring of field performance, and associated validation activities will take place in the Paradox Basin within the Navajo Nation. The results of this project will be transferred to industry and other researchers through a petroleum extension service, creation of digital databases for distribution, technical workshops and seminars, field trips, technical presentations at national and regional professional meetings, and publication in newsletters and various technical or trade journals.

Summary of Technical Progress

Implementation of Pilot Carbon Dioxide Flood Demonstration

Results from Budget Period I of this project showed that a carbon dioxide (CO₂) flood was technically superior to a waterflood and was economically feasible on typical small, shallow-shelf carbonate buildup reservoirs in the Paradox Basin.^{1, 2} Based on the geologic characterization study, reservoir performance predictions, and the associated economic assessment of implementing a CO₂ flood in the Anasazi field, San Juan County, Utah (Fig. 1), an optimized CO₂ flood is predicted to recover 4.21 million STB of oil. This represents an increase of 1.65 million STB

of oil over predicted primary depletion recovery at January 1, 2012. If the CO₂ flood performs as predicted, it is a financially robust process for increasing the reserves of the Anasazi field and similar small fields in the basin.

Budget Period II of the project involves the implementation of a pilot CO₂-flood demonstration on Anasazi field. The field demonstration includes: conducting a CO₂ injection test(s), obtaining a CO₂ source and fuel gas for the compressor, rerunning project economics, drilling a development well(s) (vertically or horizontally), purchasing and installing injection facilities, monitoring field performance, and validation and evaluation of the techniques. The demonstration will prove (or disprove) CO₂-flood viability, and thus help determine whether the technique can be applied to the other small carbonate buildup reservoirs in the Paradox Basin. Obtaining a CO₂ source is the key to beginning this demonstration.

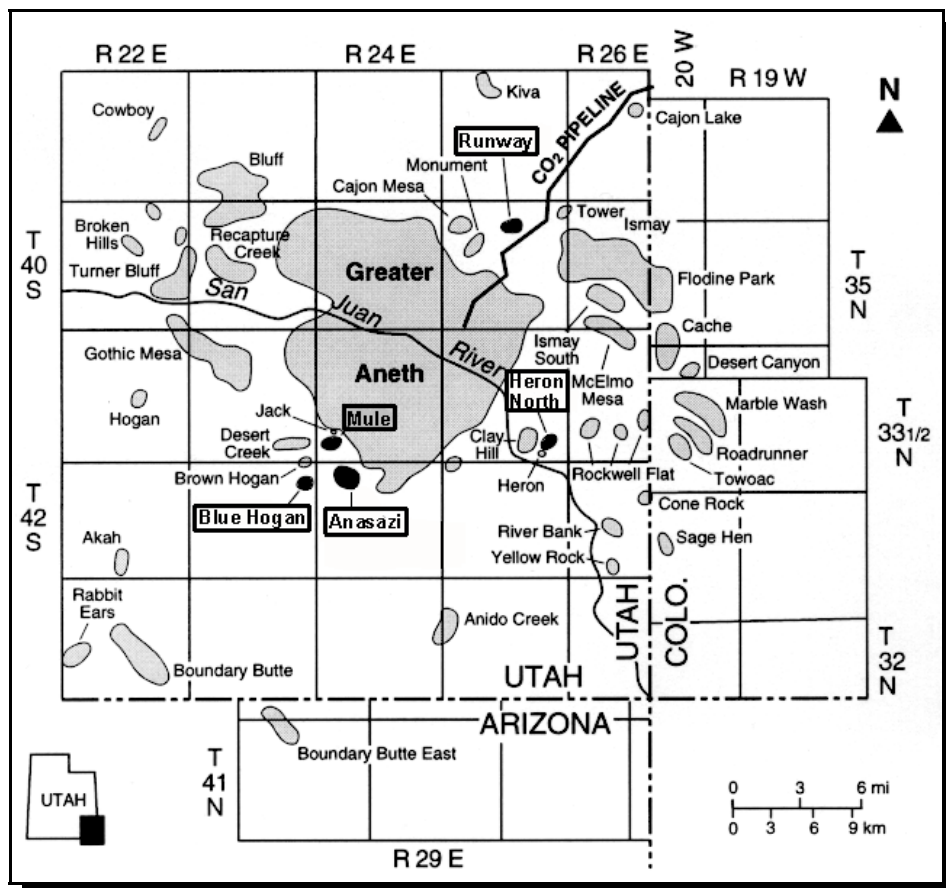


Figure 1. Location of project fields (dark shaded areas with names in bold type) and CO₂ pipeline to the Greater Aneth field area in the southwestern Paradox Basin on the Navajo Nation, San Juan County, Utah.

At this time, there is only one CO₂ source in the area, a pipeline (Fig. 1) which is now owned and operated by ExxonMobil (formerly Mobil Oil Corporation). The CO₂ line is currently operating at full capacity supplying CO₂ to wells on the north side of the San Juan River as part of a large CO₂ flood of the giant Greater Aneth field. In 1999, 15.5 BCF of CO₂ was injected into the Desert Creek reservoir (Paradox Formation) in the field.³ Plans to expand the pipeline capacity and extend it to Greater Aneth wells south across the river, and thus closer to Anasazi field, were delayed about a year and a half due to low oil prices in 1998 and early 1999, and a backlog of higher priority projects of the Greater Aneth field operators. These factors, combined with uncertainty related to the merger of Mobil and Exxon, have delayed the availability of CO₂ for the Anasazi field demonstration for at least two years.

All project fields (Anasazi, Blue Hogan, Heron North, Mule, and Runway; Fig. 1) operated by the Utah Geological Survey's industry partner, Harken Energy Corporation, have been sold to the Rim Energy Companies of Denver, Colorado. However, the Utah Geological Survey still desires to see the project completed through the demonstration phase, and will establish contact with the Rim Energy Companies to review the project and determine their interest in continuing the pilot demonstration. In addition, we will continue to carefully monitor the CO₂ availability situation. Several operators of other fields in the Paradox Basin similar to Anasazi have expressed interest in the technique and would consider conducting the CO₂-flood project if problems prevent the demonstration from occurring at Anasazi field. Most operators in the basin are small independent companies that need to see a successful and economically viable CO₂-flood demonstrated on a small field before they will invest in CO₂ acquisition, new pipelines, injection wells, and additional field facilities.

Technology Transfer

Activities conducted this quarter consisted of displaying project material at the Utah Geological Survey (UGS) booth during the American Association of Petroleum Geologists (AAPG) annual convention held in Denver, Colorado, June 3-6, 2001.

The project home page on the UGS Internet web site (<http://www.ugs.state.ut.us/paradox.htm>) was updated with the latest quarterly technical report and project publications list.

References

1. T. C. Chidsey, Jr., and M. L. Allison, Increased Oil Production and Reserves Utilizing Secondary/Tertiary Recovery Techniques on Small Reservoirs in the Paradox Basin, Utah, *Annual Report*, DOE Contract No. DE-FC22-95BC14988, DOE/BC/14988-10 (DE98000493), July 1998.
2. T. C. Chidsey, Jr., D. E. Eby, D. M. Lorenz, and W. E. Culham, Increased Oil Production and Reserves Utilizing Secondary/Tertiary Recovery Techniques on Small Reservoirs in the Paradox Basin, Utah, *Annual Report*, DOE Contract No. DE-FC22-95BC14988, DOE/BC/14988-12 (OSTI ID: 14245), November 1999.

3. Lisha Cordova, 2000, *Utah Annual Injection Report 1999*, Utah Division of Oil, Gas and Mining, in preparation.

Next Quarter Activities

Activities planned for the next quarter (July 1 through September 30, 2001) include:

1. Establish contact with the Energy Companies to review the project and determine their interest in continuing the pilot demonstration project.
2. Monitor CO₂ availability for Anasazi field pilot flood project.
3. Continue preparation of a digital catalog of basic pore types and report of diagenetic history of reservoirs based on thin sections from project fields.
4. Update project home page on the UGS Internet web site.